



## Highlights

# \$164.7m

To Fully Fund Teacher Pay  
Raises By School Year  
2020

# \$401m

New K-12 Investments Above  
And Beyond Inflation. \$543M In  
Total New Spending

# \$48m

To Educate And Prepare  
Arizona Students For  
Success In The Workforce

## Rewarding Arizona Teachers

Arizona's top budget priority is investing more resources in K-12 education. This budget fulfills and protects the second phase of the 20x2020 plan – boosting teacher pay 20 percent by school year 2020. It includes **\$164.7 million** to increase teacher pay an additional 5 percent this year.

10% → +5% → +5%  
LAST YEAR      THIS YEAR      NEXT YEAR

## Accelerating Restoration of Recession-Era Cuts

Arizona is speeding up the restoration of recession-era cuts to education with an additional **\$68 million** included for District and Charter Additional Assistance, which comes on top of the **\$68 million** proposed in January, for a total of **\$136 million**. Combined with the **\$100 million** restored last year, the budget provides **\$236 million** in additional assistance funding. These flexible dollars can be used for new textbooks, updated technology, support staff salaries or more. The plan includes **\$30 million** starting in FY 2022 to pay off a portion of what's known as the "K-12 rollover," a recession-era budget gimmick that delays funding to schools past the start of the fiscal year.

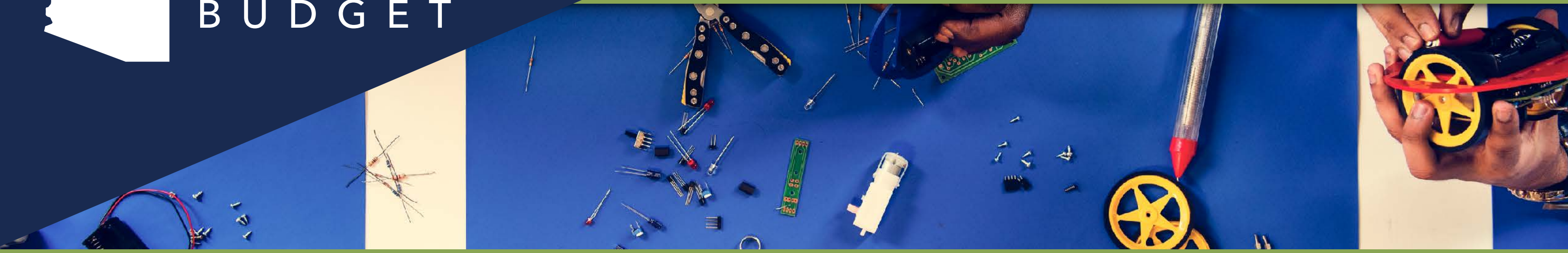
## Expanding the Arizona Teachers Academy

The Arizona Teachers Academy is training the next generation of teachers. Through the program available at ASU, U of A and NAU, students who commit to teach in Arizona get tuition and fees waived. This budget invests **\$15 million** to expand the Arizona Teachers Academy.

## Safe Arizona Schools: School Counselors and Resource Officers

To protect the health and safety of our kids in school, Arizona is making a **\$15 million** investment to hire more school counselors and cops on campus.





## Educating Arizona Students for a 21st Century Workforce

Career and Technical Education (CTE) programs are an essential part of Arizona's mission to develop a competitive workforce and prepare students for the jobs of tomorrow. The budget invests **\$10 million** to grow CTE programs at our public high schools.

The budget also makes targeted investments in CTE programs and community colleges cross the state including:

- **Pima Community College Aviation Center - \$15 million:** The aviation industry predicts over 700,000 new airline maintenance technicians will be needed in the next 20 years. This year's budget includes \$15 million to expand Pima Community College's world-class Aviation Technology Center.
- **Maricopa County Community College Healthcare Training Expansion - \$5.8 million:** This year's budget includes \$5.8 million to expand Maricopa County Community College's health care training facilities, helping meet the growing demand for nurses, nursing assistants, and other health care professionals.
- **Rural Community Colleges - \$14.2 million:** The budget includes one-time funding in community colleges outside of Maricopa and Pima Counties, investing in major rural economic and career development engines.
- **Maricopa/Pima Community College STEM funding - \$2 million:** The budget invests in new STEM programming at Maricopa and Pima Community Colleges.
- **Diné College - \$1 million:** The budget invest \$1 million for Dine College, a community college located on the Navajo Nation.

## Scaling Success in Arizona Classrooms

The budget includes **\$30 million** in new dollars for results based funding, which provides incentives and resources for the expansion of high-performing schools. The budget prioritizes additional funding for schools that primarily serve students from low-income families.

## Increased Charter School Accountability & Oversight

The budget funds an additional **10 full-time employees** at the State Board for Charter Schools to monitor operational and financial performance of charter schools and provide greater oversight and accountability. The **\$800,000** in funding adds five employees in FY 2020 and five more in FY 2021.

## Additional Education Investments

- **\$1 million** to restore the National Guard Tuition Reimbursement to help Arizona National Guard members pursue a postsecondary degree or certificate.
- **\$1.5 million** in ongoing funding for Foster Youth Education. The program combines state dollars with matching charitable investment to expand FosterEd programming across the state. FosterED is an organization dedicated to improving graduation rates and life outcomes for children in foster care.
- **\$400,000** for the Auditor General to conduct a Career and Technical Education survey to align certificates provided by Arizona schools with workforce needs.
- **\$765,000** for a Community Schools Pilot Program that will help schools provide social services and health care to students on campus.
- **\$5 million** in funding for the Translational Genomics Research Institute (TGen), a non-profit 501(c)(3) that conducts advanced health care research.





## Highlights

**\$71m**

To Reward Arizona Public  
Safety Personnel

**\$11m**

To Increase Public Safety  
Presence Across Arizona

**\$21m**

To Prepare For Arizona  
Wildfires

## Rewarding Arizona Public Safety Personnel

Arizona is grateful for our women and men in uniform who put their lives on the line to keep us safe. The budget includes **\$71 million** to provide pay raises for State Troopers, correctional officers, child safety caseworkers and other public safety personnel.

## Protecting Arizona Highways and Southern Border

Arizona is hiring 48 new State Troopers for three critical missions. This budget adds **\$11 million** to hire 12 new Troopers for the Border Strike Force, 6 Troopers for the Wrong-Way Driver Night Watch and 30 Troopers to patrol the new Loop 202 South Mountain Freeway.

## Preparing for Arizona Wildfire Season

The budget includes an additional **\$1 million** for Forestry Hazardous Vegetation Removal and doubles the dollars available (**\$20 million**) to promptly reimburse local Arizona fire districts for their work to combat wildfires.

## Investing in Veteran Suicide Prevention

Arizona is investing **\$1.2 million** in the Be Connected Program, a statewide effort to reduce suicides in Arizona's military and veteran population by connecting service members, veterans and their families with support resources.

## Additional Public Safety Investments

- **\$271,000** for the Sierra Vista Public Safety Communications Center.
- **\$1 million** for 10 additional FTEs at the Department of Corrections to enhance healthcare monitoring.
- **\$1 million** for additional training offered by the Arizona Peace Officer Standards and Training Board (AZPOST).
- **\$3.9 million** to construct a West Valley Readiness Center operated by the Department of Emergency and Military Affairs.
- **\$4 million** for Department of Public Safety vehicle replacement.





## Highlights

# \$21m

In State and Federal  
Funding to Eliminate the  
KidsCare Freeze

# \$10m

To Reverse The Trend On  
Homelessness In Arizona

# \$12m

To Fund Elderly Long Term  
Care Services

## Repealing the KidsCare Freeze

KidsCare currently provides health insurance for over 34,000 Arizona children of working, yet low-income parents. Under current law, 6,000 children who qualify for KidsCare would be unable to access coverage in FY 2020. Through 2022, this investment protects healthcare coverage for almost 26,000 Arizona kids.

## Increasing Child Care Assistance

Too many low-income working parents must choose between a steady paycheck and caring for their kids. Arizona is investing **\$56 million** to expand child care subsidy programs. The funding will increase access to child care for the working parents of as many as 5,000 children and will increase the stipend for all children in the program to ensure they have access to quality care.

## Expanding The Kinship Family Stipend

This year's budget includes **\$2.4 million** to offer kinship stipends through the Department of Child Safety to extended family members who raise younger relatives. By easing the financial burden on kinship caregivers, Arizona is helping vulnerable children stay with their families.

## Restoring The State Housing Trust Fund

This year's budget provides **\$10 million** to restore funds to the State Housing Fund, a flexible funding source that helps meet the housing needs of vulnerable Arizona citizens including the homeless, low-income families and seniors with disabilities.

## Elderly Long Term Care Services

To help Arizona seniors afford the care they need, this budget includes **\$11.8 million** in ongoing funds to increase provider rates for elderly in-home and nursing care through the Arizona Long Term Care System Provider Funding.

## Additional HealthCare Investments

- **\$1.5 million** to help stabilize Benson Hospital in Cochise County.
- **\$2 million** for Alzheimer's Research.
- **\$1 million** for rural hospital prenatal equipment.





## Highlights

### \$283m

Building Arizona's  
Infrastructure Of The  
Future

### \$130m

To Expand The I-17 To Reduce  
Congestion And Improve  
Highway Safety

### \$10.5m

Resurfacing Highways For A  
Safer, Smoother Drive

## Building Arizona's Infrastructure of the Future

Arizona is growing, and our infrastructure needs to keep up. This year's budget invests **\$283 million** new state dollars in Arizona's infrastructure to promote public safety and support commerce, including expanding the I-17, developing rural broadband and resurfacing our roads.

- **Adding High-Speed Internet In Rural Arizona - \$3 million:** High-speed internet is essential for accelerating economic development, enhancing education and improving public safety. This year's budget invests \$3 million to expand broadband services in underserved rural areas.
- **Expanding Interstate 17 To Northern Arizona - \$130 million:** This year's budget invests \$120 million to widen Interstate 17 from Anthem to Black Canyon City, improving traffic flow and public safety in a critical commerce corridor.
- **Enhancing Ports Of Entry At The Border - \$700,000:** The budget includes an investment of \$700,000 to build a new cold room inspection facility at the Mariposa Port of Entry in Nogales. The cold room will improve the port's ability to process temperature-sensitive cargo and move more goods through our ports.
- **Funding Targeted Priority Infrastructure Projects - \$95.3 million:** In addition to baseline funding for transportation and infrastructure projects, the budget adds \$95.3 million for targeted transportation projects to improve safety and spur economic development across the state.

## Investing in Local Arizona Cities & Towns

- **\$11.3 million** to eliminate the county share of operating costs at the Arizona Department of Juvenile Corrections.
- **\$10 million** over ten years to eradicate salt cedar – a devastating tree that is destructive to Arizona's water resources and poses a threat during fire season.
- **\$3 million** to stabilize local retirement for elected public servants.

## Creating A Business One-Stop

Navigating the bureaucracy of government can be difficult – this budget funds a business one-stop, so that entrepreneurs and job creators can spend less time getting the runaround and more time furthering Arizona's economic growth.

## Promoting Arizona as a Tourist Destination

Tourism is one of Arizona's largest economic drivers. To support the industry, the budget invests **\$1.1 million** in marketing programs to attract tourism to our state, which support local businesses and our state's economy. In addition, the budget invests **\$950,000** to maintain Arizona's hiking trails and **\$1.25 million** to preserve the Tonto Natural Bridge.





## Highlights

# \$1b

Balance In Arizona's Rainy Day Fund To Secure Our Investments

# \$190m

To Pay Off State Debt, Resulting In Major Savings Moving Forward

# \$300m

The Structural Balance After Fully Funding The Budget Priorities

## Fiscal Responsibility, Meaningful Investments

This fiscally conservative, balanced budget invests in the things that matter like fulfilling pay raises for teachers, providing salary increases for law enforcement personnel, upgrading Arizona's roads and bridges and more. The budget invests **\$542 million** in Arizona's Rainy Day Fund, bringing the fund to a record **\$1 billion**. The budget also pays off **\$190 million** in debt taken on during the Great Recession, resulting in annual ongoing savings of **\$24 million**. Since 2015, Arizona paid off nearly **\$1 billion** in debt. The budget keeps a structural balance of nearly **\$300 million**.

## Securing Priority Investments

At the end of FY 2018, the Rainy Day Fund balance was approximately **\$457.8 million**, or 4.5 percent of General Fund revenues. The budget includes a **\$542 million** deposit into the Rainy Day Fund – at **\$1 billion**, it will reach the highest dollar amount and the highest percentage of General Fund revenue since its creation, helping better prepare the state for the next economic downturn.

## A Revenue Neutral Simplification of Arizona's Tax Code

The budget includes a common sense, revenue neutral simplification of Arizona's tax code. The reform makes Arizona's tax code simpler and more fair, while protecting investments in the things that matter and prioritizing middle and low-income earners.

- **Increases Standard Deduction:** The plan significantly increases the standard deduction to match the federal standard deduction. Based on federal estimates, as many as 90 percent of taxpayers will take the standard deduction on both their state and federal forms, creating a much simpler filing process.
  - For single filers, the standard deduction increases from \$5,312 to \$12,000.
  - For married filers, the standard deduction increases from \$10,600 to \$24,000.
- **Reduces Income Tax Rates for All Filers** while prioritizing middle and low-income earners.
  - The median tax filer will receive roughly \$135 in tax relief under the plan.
  - The average tax filer will save more than \$100 per year.
- **Child Tax Credit:** The plan establishes a new child tax credit equal to \$100 per dependent child, providing additional tax relief to families.
- **Charitable Giving:** The plan also allows taxpayers who take the standard deduction to subtract 25 percent of annual charitable giving, encouraging charitable giving.